

110TH CONGRESS
1ST SESSION

H. R. 3020

To amend the Small Business Act to improve the Microloan program, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 12, 2007

Mr. CHABOT (for himself, Ms. VELÁZQUEZ, Mr. CUELLAR, Ms. CLARKE, and
Mr. LIPINSKI) introduced the following bill; which was referred to the
Committee on Small Business

A BILL

To amend the Small Business Act to improve the Microloan
program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Microloan Amendments and Modernization Act”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Transmission of credit reporting information.
- Sec. 3. Flexible credit.
- Sec. 4. Intermediary eligibility requirements.
- Sec. 5. Average loan size.

Sec. 6. Technical assistance.

Sec. 7. Entrepreneurs with disabilities.

1 **SEC. 2. TRANSMISSION OF CREDIT REPORTING INFORMA-**
 2 **TION.**

3 Section 7(m) of the Small Business Act (15 U.S.C.
 4 636(m)) is amended by adding at the end the following:

5 “(14) CREDIT REPORTING INFORMATION.—The
 6 Administrator shall establish a process, for use by a
 7 lender making a loan to a borrower under this sub-
 8 section, under which the lender provides to the
 9 major credit reporting agencies the information
 10 about the borrower that is relevant to credit report-
 11 ing, such as the payment activity of the borrower on
 12 the loan.”.

13 **SEC. 3. FLEXIBLE CREDIT.**

14 Section 7(m) of the Small Business Act (15 U.S.C.
 15 636(m)) is amended, in each of paragraphs (1)(B)(i) and
 16 (11)(B), by striking “short-term,”.

17 **SEC. 4. INTERMEDIARY ELIGIBILITY REQUIREMENTS.**

18 Section 7(m)(2) of the Small Business Act (15
 19 U.S.C. 636(m)(2)) is amended—

20 (1) in subparagraph (A) by striking “paragraph
 21 (10)” and inserting “paragraph (11)”; and

22 (2) by amending subparagraph (B) to read as
 23 follows:

24 “(B) has—

1 “(i) at least—

2 “(I) 1 year of experience making
3 microloans to startup, newly estab-
4 lished, or growing small business con-
5 cerns; or

6 “(II) 1 full-time employee who
7 has not less than 3 years experience
8 making microloans to startup, newly
9 established, or growing small business
10 concerns; and

11 “(ii) at least 1 year of experience pro-
12 viding, as an integral part of its microloan
13 program, intensive marketing, manage-
14 ment, and technical assistance to its bor-
15 rowers.”.

16 **SEC. 5. AVERAGE LOAN SIZE.**

17 Section 7(m) of the Small Business Act (15 U.S.C.
18 636(m)) is amended by striking “\$7,500” and inserting
19 “\$10,000” in each of the following places: paragraph
20 (3)(F)(iii), paragraph (6)(C)(i), and paragraph (6)(C)(ii).

21 **SEC. 6. TECHNICAL ASSISTANCE.**

22 Section 7(m)(4)(E) of the Small Business Act (15
23 U.S.C. 636(m)(4)(E)) is amended as follows:

24 (1) PRE-LOAN.—Clause (i) is amended by strik-
25 ing “25 percent” and inserting “35 percent”.

1 (2) THIRD PARTY CONTRACTS.—Clause (ii) is
2 amended by striking “25 percent” and inserting “35
3 percent”.

4 **SEC. 7. ENTREPRENEURS WITH DISABILITIES.**

5 Section 7(m)(1)(A)(i) of the Small Business Act (15
6 U.S.C. 636(m)(1)(A)(i)) is amended by inserting “dis-
7 abled,” before “and minority entrepreneurs”.

○